

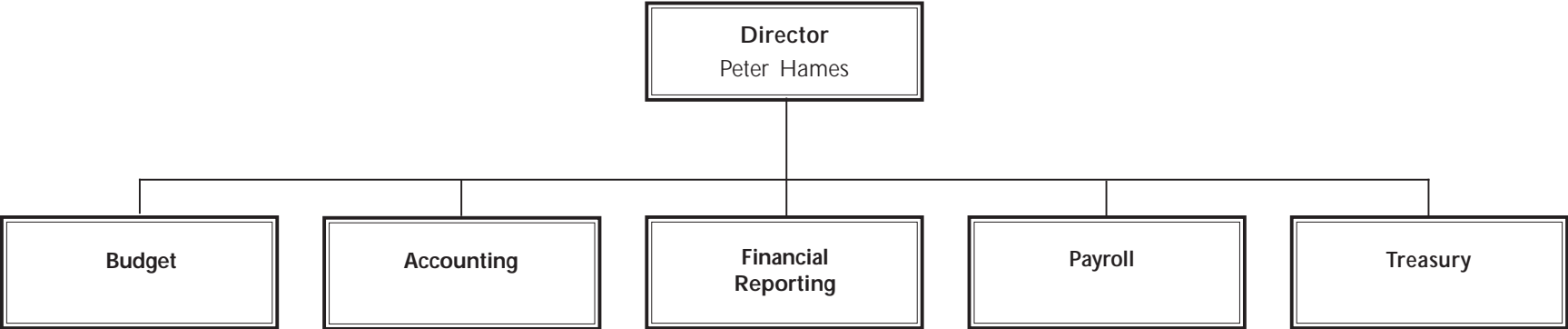
# Office of Financial Services

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## **Mission Statement**

To direct the City of Saint Paul's finances by: setting and monitoring citywide fiscal policy, building and operating financial systems, keeping and creating financial reports, serving departments/offices by problem solving and training in collaboraton with the departments/offices.

# Financial Services



# Office of Financial Services

DEPARTMENT/OFFICE DIRECTOR: PETER HAMES

	1999 2ND PRIOR EXP & ENC *	2000 LAST YEAR EXP & ENC *	2001 ADOPTED BUDGET	2002 MAYOR'S PROPOSED	2002 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2001 ADOPTED
<b>SPENDING APPROPRIATIONS</b>							
001 GENERAL FUND	1,561,915	1,552,200	1,623,560	1,646,873	1,646,873		23,313
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	4,642,018	5,281,745	5,276,030	5,278,469	5,267,918	10,551-	8,112-
070 INTERNAL BORROWING FUND	824,253	755,147					
802 CPL OPERATING FUND	2,690,673	1,257,211	2,856,869	2,720,014	2,720,014		136,855-
<b>TOTAL SPENDING BY UNIT</b>	<b>9,718,859</b>	<b>8,846,303</b>	<b>9,756,459</b>	<b>9,645,356</b>	<b>9,634,805</b>	<b>10,551-</b>	<b>121,654-</b>
<b>SPENDING BY MAJOR OBJECT</b>							
SALARIES	1,423,549	1,376,742	1,439,932	1,542,233	1,542,233		102,301
EMPLOYER FRINGE BENEFITS	423,310	420,037	416,097	468,267	468,267		52,170
SERVICES	173,643	496,701	570,069	401,231	401,231		168,838-
MATERIALS AND SUPPLIES	16,066	19,196	25,601	63,023	63,023		37,422
MISC TRANSFER CONTINGENCY ETC	5,123,269	5,084,200	5,377,260	5,420,602	5,410,051	10,551-	32,791
DEBT	824,253	755,147					
STREET SEWER BRIDGE ETC IMPROVEMENT	1,718,278	694,280	1,900,000	1,750,000	1,750,000		150,000-
EQUIPMENT LAND AND BUILDINGS	16,491		27,500				27,500-
<b>TOTAL SPENDING BY OBJECT</b>	<b>9,718,859</b>	<b>8,846,303</b>	<b>9,756,459</b>	<b>9,645,356</b>	<b>9,634,805</b>	<b>10,551-</b>	<b>121,654-</b>
		9.0-%	10.3 %	1.1-%	.1-%	.1-%	1.2-%
<b>FINANCING BY MAJOR OBJECT</b>							
GENERAL FUND	1,561,915	1,552,200	1,623,560	1,646,873	1,646,873		23,313
SPECIAL FUNDS							
TAXES	1,573,649	1,765,714	1,771,290	1,771,290	1,735,911	35,379-	35,379-
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	3,005,077	3,053,991	2,885,025	2,930,923	2,930,923		45,898
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	4,190,645	3,867,082	3,274,229	3,267,097	3,267,097		7,132-
TRANSFERS	13,507	14,053	14,415	14,001	14,001		414-
FUND BALANCES			187,940	15,172	40,000	24,828	147,940-
<b>TOTAL FINANCING BY OBJECT</b>	<b>10,344,793</b>	<b>10,253,040</b>	<b>9,756,459</b>	<b>9,645,356</b>	<b>9,634,805</b>	<b>10,551-</b>	<b>121,654-</b>
		.9-%	4.8-%	1.1-%	.1-%	.1-%	1.2-%

## Budget Explanation

### Major Changes in Financing and Spending

#### Creating the 2002 Budget Base

The 2001 adopted department budget was adjusted to set the base for the year 2002. The budget was increased for the anticipated growth in salaries and fringe benefits related to the collective bargaining process. Also, a spending cap was imposed on the department's adjusted budget to limit the growth of government spending and to avoid an increase to the city's property tax.

#### Department Proposals

In order to meet the targeted base budget, the office proposed to fill current staff vacancies with new employees who will be paid at salary rates lower than the rates paid. The office also made minor reductions in various spending line items.

#### Mayor's Recommendations

In preparing the 2002 proposed budget, the mayor recommended accepting the department proposals contained in the submitted budget., with these exceptions:

- increasing financing from the Hotel - Motel tax by \$150,000, for a total budget of \$3 million.

#### Council Actions

The City Council adopted the Office of Financial Services budget and recommendations as proposed by the mayor, and approved the following change recommended by the mayor:

- reducing financing from the Hotel - Motel tax by \$97,920, for a total budget of \$2.8 million.

## Strategic Plan

- Coordinate the city's long range planning and financial management efforts.
- Continue the city's effort to price the cost of services and to measure performance related to delivering city services. Plan for the replacement of the city's finance system to include functions that will assist these efforts.
- Publish financial documents that provide the finance professional and the interested citizen with information that is well documented and informative.
- Control the costs of fiscal operations, including the cost of debt issuance and investment management, and seek a competitive return on investments.
- Encourage departments and offices to actively manage operating and capital expenditures in new and creative ways and maximize revenues. This includes factoring in normal underspending.
- Continue efforts to promote and reward fiscal discipline, including the use of incentives.

## Performance Measures And Results For The Office Of Financial Services

		<u>1999</u>	<u>2000</u>	<u>2001 (est)</u>	<u>2002 (est)</u>
<b>Budget Indicators:</b>					
Reserve 10 percent of Gen'l	Bdgt	\$159,978,509	\$163,608,599	\$167,714,858	\$175,678,129
Fund Budget for cash flow	Rsrv	\$16,400,000	\$16,400,000	\$16,700,000	\$17,500,000
	Pctg	10.03	10.3%	10.0%	10.0%
Spend less than budget / meet revenue.					
Spending					
	Bdgt	\$178,099,320	\$176,841,086	\$167,714,858	\$175,678,129
	Actual	171,756,507	170,461,512	167,000,000	175,000,000
Revenues					
	Bdgt	\$165,059,568	\$163,608,599	\$161,857,059	\$165,288,979
	Actual	165,542,707	172,833,786	161,000,000	165,000,000
<b>Accounting Indicators:</b>					
Government Financial Officer					
Association Certificate of Excellence for Financial Reporting	Award Received		Receive Award	Receive Award	Receive Award
<b>Debt Indicators:</b>					
Bond Rating (Standard & Poor's / Moody's)	AA+ / Aa2		AA+ / Aa2	AAA / Aa2	AAA / Aa2
<b>Investment Indicators:</b>					
Total return as of 12/31/00:					
			Manager	Merrill Lynch US Treas/Agencies 1 - 5 Year Index Fund	
Outside Investment Management					
Since 3/31/99:					
	First American Asset		5.98	6.09	
	Galliard		6.46	6.09	
Since 4/30/99:					
	Advantus		6.44	6.21	
	Voyageur		6.44	6.21	
Internal Investment Management					
Since 6/30/99:			7.79	6.95	